

FAQs ON PHONE CONTRACTS

by Joerg Modellmog

Recently an increasing number of my clients have sought legal advice on issues surrounding their cell phone contracts, because their expectations were not in line with the terms and conditions applicable to the cell phone contracts they had signed. To enable you to make a better-informed decision before entering into a cell phone contract, let's look at five of the most common areas of misunderstanding:



(1) How long does a 24-month contract run?

If you think it lasts two years, just covering your tour in Germany, you might have made an expensive mistake. The 24-month period does not refer to the length of the contract but to the period during which the contract cannot be terminated. The contract itself runs for an indefinite period of time, for all cell phone contracts contain an automatic renewal clause, extending the contract for one year and thereafter for another year and so on, once the first 24 months have passed.

(2) What do I need to do to stop an automatic renewal of the contract?

If your guess is that you just need to tell them so, you are gambling. Your desire to prevent an automatic renewal needs to be expressed in writing to the cell carrier no later than three months **BEFORE** the contract is up for renewal. You could ask for the automatic renewal to be blocked right after you signed the contract. If you wait until the day on which the contract is up for renewal, you are too late and on the hook for another 12-month period.

(3) What happens if I lose or break my phone?

The cruel truth: too bad for you, as you have a 24-month contract (with an automatic renewal clause). The company will issue a replacement SIM card for a fee. However, the SIM card and the phone are two separate items. The latter is often merely subsidized, depending on the contract, but losing or breaking the phone does not entitle you to a new one and provides no ground for an early termination or discontinuance of your 24-month contract (with automatic renewal clause).

(4) Is an online bill a good idea?

The answer depends on your personal situation. How good is your German? Chances are that the carrier's website is all in German. Set-up, registration, and/or modifications via the website will be impossible unless you have a basic idea of what you need to do. Often the companies charge an additional fee for mailing a hard copy of the bill to you. If you wish to receive a bill in the regular mail, make sure your mailing address is correctly displayed on the contract; a letter addressed to SPC John Doe, Kleber Kaserne, Kaiserslautern, will not find its way to you.

(5) Do I have a right to terminate the contract with "military orders"?

The Servicemembers Civil Relief Act (SCRA) is a US law that does not apply to German contracts. Absent such a statutory right to terminate cell phone contracts upon a PCS move, the issue is left to the individual phone service carriers and the contracts concluded with them. The shop representatives never put their eloquent verbal sales statements into writing, making it next to impossible to prove them. They often simply claim to have used a lot of vague language like "may," "might," and "could," because, contrary to any allegations, the general terms and conditions of the cell phone contract do **NOT** provide for an extraordinary termination right in case of presentation of military orders. Consequently, cell phone companies generally offer to dissolve the contract in consideration for a lump sum payment, based on the remaining monthly basic fees still owed under the contract up to the next ordinary termination period.

Advice and assistance on any of the matters discussed above is available by making an appointment to speak with a German Attorney-Advisor. Call DSN 483-8848 or civilian 0631-411-8848 for an appointment.